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Kean Beng Lee Industries (M) Sdn Bhd v Jintye Corp Sdn Bhd

HIGH COURT (PULAU PINANG) — CIVIL SUIT NO MT3–22–541 OF 2002
GHAZALI CHA J
12 DECEMBER 2009

Trademarks — Passing off — Goodwill — Plaintiff had been using trademark since 19 September 2000 — Whether plaintiff had successfully established goodwill and reputation in its business of manufacturing and selling flower pots bearing industrial design — Whether ingredients of goodwill, misrepresentation and damages present — Whether there was confusion and deception in market — Whether there was passing off

Trademarks — Registered trademark — Action for infringement — Original registered proprietor of industrial design assigned same to plaintiff — Whether plaintiff had right to institute action against defendant for infringement of industrial design — Whether necessary to adduce expert evidence during trial to determine issue of infringement under the Industrial Design Act 1996 — Whether plaintiff had on balance of probabilities proved that defendant was liable for infringement of plaintiff's industrial design

The plaintiff and the defendant were in the business of manufacturing, designing and selling their own flower pots in Malaysia and abroad. The plaintiff became the owner of an industrial design registered under s 22 of the Industrial Design Act 1996 ('the Act'), when the original registered owner of the said industrial design, Leong Jyn Wen, assigned the 'whole right, title and interest' in the industrial design to the plaintiff by way of a deed of assignment dated 8 August 2002. It was the plaintiff's case that the defendant had applied the plaintiff's industrial design to its own flower pots without the licence of the plaintiff and/or the previous owner. The plaintiff thus commenced the present action against the defendant for infringement of the plaintiff's registered industrial design and for committing the tort of passing off by committing the said infringing acts, which amounted to passing off the defendant's flower pots as those of the plaintiff's. By way of this action the plaintiff sought, inter alia, injunctive relief to restrain the defendant from continuing the said infringing acts; an order for full discovery, delivery and destruction of all relevant documents pertaining to the said infringing acts; and an inquiry as to damages or an account of profits and payment of all such funds including interest. In its defence the defendant submitted that the assignment of the industrial design to the plaintiff did not confer the latter with any right to institute the present action; that the industrial design, which was already in the market in Malaysia

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and overseas since 19 September 2000, was not new as at the filing date; that the plaintiff had not established any goodwill reputation in its business of manufacturing and selling the flower pots bearing the industrial design; and that the defendant's flower pots were substantially different from the plaintiff's registered designs.

Held, allowing the plaintiff's claim against the defendant with costs:

(1) The original registered proprietor of the industrial design had assigned the whole of his interest in the industrial design to the plaintiff by deed of assignment and the said assignment was recognised and duly recorded by the Registrar of Industrial Designs. As such the proprietorship of the registered design had been effectively transferred to the plaintiff and it had the right to institute the instant action against the defendant and any infringer of the said registered industrial design (see paras 9–10).

(2) Based on settled cases it was not necessary to adduce expert evidence during the trial to determine the issue of infringement under the Act. The court had to only make a visual comparison between the plaintiff's registered industrial design and the alleged infringing flower pots. In making the visual comparison between the registered industrial design and the alleged infringement by the defendant, the factor to be considered was the ordinary consumer and how his eye will, judge the design. As such, by using the eye as the sole test it was found that the designs on the defendant's flower pots were the same as those of the plaintiff's registered industrial design. Therefore, the plaintiff had on the balance of probabilities proved that the defendant was liable for the infringement of the plaintiff's industrial design under the Act by making for sale without the licence or consent of the plaintiff and/or the previous owner of the registered industrial design, flower pots to which the registered industrial design or a fraudulent or obvious imitation thereof had been applied (see paras 12–14 & 16–17).

(3) Since 19 September 2000 the plaintiff and its authorised distributor had been promoting, advertising and distributing the plaintiff's flower pots which bear the designs or a design substantially similar thereto in Malaysia and abroad. It was an established fact that members of the trade and public in Malaysia had come to identify the plaintiff's flower pots with the trade and business of the plaintiff. Thus, the plaintiff had successfully established goodwill and reputation in its business of manufacturing and selling the flower pots which were recognised as the badge of the plaintiff's flower pots (see paras 21–23).

(4) It was found that by looking at the two flower pots side by side that there would clearly be a likelihood of confusion due to the overall similarities in their design. Thus the infringing acts of the defendant clearly would tantamount to misrepresentation to members of the public in that they

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were calculated to deceive and/or cause confusion that the defendant's infringing flower pots were manufactured with the consent of the plaintiff. Further the requirement for damages caused by the infringement had also been satisfied (see paras 25–29).

(5) In assessing the plaintiff's evidence as a whole it was found that the plaintiff had on a balance of probabilities, proved and established all the requirements for the tort of passing off against the defendant. Thus the plaintiff's action was allowed with damages to be assessed by the Timbalan Pendaftar (see paras 31–33).

[Bahasa Malaysia summary

Plaintif dan defendan adalah dalam perniagaan membuat, mereka bentuk dan menjual pasu bunga sendiri di Malaysia dan luar negara. Plaintif menjadi pemilik reka bentuk berdaftar di bawah Akta Reka Bentuk Perindustrian 1996 ('Akta'), apabila pemilik berdaftar asal reka bentuk perindustrian tersebut, Leong Jyn Wen, telah menyerahhak 'whole right, title and interest' dalam reka bentuk perindustrian kepada plaintif melalui surat ikatan penyerahan hak bertarikh 8 Ogos 2002. Adalah kes plaintif bahawa defendan telah memohon reka bentuk perindustrian plaintif untuk pasu-pasu bunganya sendiri tanpa lesen plaintif dan/atau pemilik sebelumnya. Oleh itu plaintif telah memulakan tindakan ini terhadap defendan kerana pelanggaran reka bentuk perindustrian plaintif dan kerana melakukan kesalahan tort kelirupaan dengan melakukan perbuatan-perbuatan pelanggaran tersbut, yang membentuk kelirupaan pasu-pasu bunga defendan sepertimana plaintif. Melalui tindakan ini plaintif memohon, antara lain, relief injunksi untuk menghalang defendan daripada meneruskan perbuatan-perbuatan pelanggaran tersebut; dan siasatan menentukan ganti rugi atau akaun keuntungan dan bayaran semua kewangan tersebut termasuk faedah. Dalam pembelaannya defendan berhujah bahawa penyerahan hak reka bentuk perindustrian kepada plaintif tidak memberikannya apa-apa hak untuk memulakan tindakan ini; bahawa reka bentuk peindustrian itu, yang telahpun berada di pasaran di Malaysia dan luar negara sejak 19 September 2000, bukan suatu yang baru pada tarikh pemfailan; bahawa plaintif tidak membuktikan apa-apa reputasi baik dalam perniagaannya membuat dan menjual pasu-pasu bunga yang mempunyai reka bentuk perindustrian; dan bahawa pasu-pasu bunga defendan jauh berbeza daripada reka bentuk berdaftar plaintif.

Diputuskan, membenarkan tuntutan plaintif terhadap defendan dengan kos:

(1) Tuan punya berdaftar yang asal reka bentuk perindustrian telah menyerahhak kesemua kepentingannya dalam reka bentuk perindustrian kepada plaintif melalui surat ikatan penyerahan hak dan penyerahan hak tersebut diiktiraf dan direkodkan oleh Pendaftar Reka Bentuk Perindustrian. Oleh itu pemilik reka bentuk perindustrian itu telah dipindah milik kepada plaintif dan ia mempunyai hak untuk memulakan

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tindakan ini terhadap defendan dan sesiapa yang melanggar reka bentuk berdaftar tersebut (lihat perenggan 9–10).

(2) Berdasarkan kes-kes khusus adalah tidak perlu untuk mengemukakan keterangan pakar semasa perbicaraan bagi menentukan isu pelanggaran di bawah Akta. Mahkamah hanya perlu membuat perbandingan visual antara reka bentuk perindustrian plaintif dan pasu-pasu bunga yang dikatakan melanggar itu. Dalam membuat perbandingan visual antara reka bentuk perindustrian yang berdaftar dan pelanggaran oleh defendan yang dikatakan itu, faktor yang perlu dipertimbangkan adalah pelanggan biasa dan bagaimana dia melihat reka bentuk itu. Oleh itu, dengan menggunakan mata sebagai satu-satunya ujian ia didapati bahawa reka bentuk pasu-pasu bunga defendan adalah sama dengan reka bentuk perindustrian berdaftar plaintif. Oleh demikian, plaintif telah membuktikan atas imbangan kebarangkalian bahawa defendan bertanggungjawab untuk pelanggaran reka bentuk perindustrian plaintif di bawah Akta kerana membuat jualan tanpa lesen atau kebenaran plaintif dan/atau pemilik asal reka bentuk perindustrian berdaftar, pasu-pasu bunga yang mana reka bentuk perindustrian berdaftar atau tiruan secara fraud atau tiruan secara nyata telah terpakai (lihat perenggan 12–14 & 16–17).

(3) Sejak 19 September 2000 plaintif dan pengedar lantikannya telah mempromosi, mengiklan dan mengedar pasu-pasu bunga plaintif yang mempunyai reka bentuk yang serupa di Malaysia dan luar negara. Adalah fakta jelas bahawa ahli-ahli dagangan dan orang awam di Malaysia telah mengenali pasu-pasu bunga plaintif yang berkait dengan dagangan dan perniagaan plaintif. Oleh itu, plaintif telah berjaya membuktikan nama baik dan reputasi dalam perniagaan membuat dan menjual pasu-pasu bunga yang diiktiraf sebagai lambang pasu-pasu bunga plaintif (lihat perenggan 21–23).

(4) Adalah didapati bahawa dengan melihat kepada dua pasu bunga sebelah menyebelah jelas dapat dilihat kebarangkalian kekeliruan disebabkan persamaan keseluruhan reka bentuk kedua-duanya. Oleh itu perbuatan pelanggaran defendan dianggap sama seperti gambaran salah kepada orang awam sehingga menyebabkan mereka terpedaya dan/atau keliru bahawa pasu-pasu bunga defendan yang melanggar undang-undang itu dibuat dengan kebenaran plaintif. Selanjutnya keperluan ganti rugi yang disebabkan oleh pelanggaran itu juga telah dipenuhi (lihat perenggan 25–29).

(5) Dalam menilai keterangan plaintif secara menyeluruh adalah didapati bahawa plaintif telah membuktikan atas imbangan kebarangkalian kesemua keperluan untuk tort kelirupaan terhadap defendan. Oleh itu tindakan plaintif dibenarkan dengan ganti rugi ditaksirkan oleh timbalan pendaftar (lihat perenggan 31-33).]

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Notes

For cases on action for infringement, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2125–2126.

For cases on goodwill, see 12 Mallal's Digest (4th Ed, 2005 Reissue) paras 2077–2079.

Cases referred to

Gaskell & Chambers Ltd v Measure Master Ltd [1993] RPC 76 (refd)

Hecia Foundry Co v Walker, Hunter & Co (1889) 6 RPC 554 (refd)

MI & M Corporation & Anor v A Mohamed Ibrahim [1964] MLJ 392, FC (refd)

Mun Loong Co Sdn Bhd v Chai Tuck Kin [1982] 1 MLJ 356; [1982] CLJ 80 (refd)

Leatheries Ltd v Lycett Saddle and Motor Accessories Company Ltd [1909] 26 RPC 166 (refd)

McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation [2009] 3 MLJ 774; [2009] 4 AMR 394, CA (refd)

Reckitt & Colman Product Ltd v Borden Inc & Ors, [1990] 1 All ER 873, HL (refd)

Redland Tiles Ltd & Ors vs Kua Hong Brick Tile Works [1966] 2 MLJ 62 (refd)

Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 2 MLJ 770 (refd)

Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358, CA (refd)

Spalding v Gamage (1915) 84 LJ Ch 449, HL (refd)

Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor [2006] 5 MLJ 262, HC (refd)

Legislation referred to

Industrial Designs Act 1996 ss 22, 29(2), 30(1), (2)

Ghazali Cha J:

[1] The plaintiff's claims against the defendant are two fold namely:

(a) that the defendant is liable for infringement of the plaintiffs registered industrial design under the Industrial Designs Act 1996 by making for sale or for use for the purposes of trade or business, distributing, or offering or keeping for sale in Malaysia, without the licence of the plaintiff and/or the previous owner (ie Leong Jyh Wen) of the registered industrial design, flower pots to which the registered industrial design, or a fraudulent or obvious imitation thereof has been applied; and

(b) that the defendant is liable for the tort of passing-off by committing the said infringing/offending acts which amount to passing-off the

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defendant's flower pots as and for those of the plaintiff.

THE FACTS

[2] The plaintiff and the defendant are in business selling flower pots. The plaintiff claims that it not only sells flower pots but also produces them. The defendant operates in the nature of trading house, in which it obtains flower pots from other sources and distributes them under its own trademark. The defendant also claims that it does manufacture and designs its own flower pots.

[3] The plaintiff commercialises its flower pots under its brand name Baba 206 and the owner of this registered trademark since 15 September 2000.

[4] The defendant is the registered proprietor of the trademark known as 'Apple Lady' and sold by them bearing this trademark.

[5] The plaintiff is also the owner of an industrial design that is registered under s 22of the Industrial Designs Act 1996. The industrial design is registered as MY00–00588, exh P2 is the certificate of registration of the industrial design. The drawings can be found at pp 192–197 of bundle B2.

[6] Out of the salient facts above the plaintiff sought the following:

(a) injunctive relief restraining the defendant from continuing its said infringing/offending acts;

(b) an order for delivery up or destruction of all infringing/offending goods to the defendant;

(c) an order for full discovery of all relevant documents pertaining to the said infringing/offending acts;

(d) an inquiry as to damages or, at the plaintiff's option, an account of profits, and payment of all sums found due upon the taking of such inquiry or account including interests thereon; and

(e) costs.

THE DEFENCE

[7] The defendant in their statement of defence has stated the following defence:

(a) The said assignment does not confer any right on the plaintiff to institute the present action against the defendant;

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(b) the defendant did not receive any notice from the plaintiff regarding the said assignment;

(c) the plaintiff's said registered designs were not new as at the filing date because the designs were already in the market in Malaysia and overseas before 19 September 2000;

(d) the plaintiff has not established any goodwill reputation in its business of manufacturing, selling and distributing its flower pots which bear the plaintiff's said registered designs;

(e) the defendant did not make, sell and/or distribute the said infringing/offending flower pots; and

(f) the said infringing/offending flower pots are wholly or substantially different from the plaintiff's said registered designs.

[8] The parties have agreed to the following facts:

(a) the plaintiff is a company incorporated in Malaysia and has its principal place of business at 1384, Atas Lot 841, MK-1, Jalan Tasek, Simpang Ampat, 14120 Seberang Perai Selatan, Penang;

(b) the defendant is a company incorporated in Malaysia and has its office at 190, 1st Floor, Jalan Tembikai, Taman Padang Lallang, Padang Lallang, Bukit Mertajam, Penang;

(c) the defendant is carrying on business as dealer of plastic and household products;

(d) as at January 2002, the defendant was aware of registered designs No MY 00–00588 registered under the Industrial Designs Act 1996 in the name of Leong Jyh Wen in respect of 'POTS' in class 11–02 ('the said registered designs').

(e) the plaintiff has been manufacturing, selling and distributing flower pots to which the said registered designs, in particular designs 3.1–3.6, were applied in Malaysia and abroad.

ISSUES

[9] Whether the plaintiff has a locus standi by virtue of a deed of assignment dated 8 August 2002 between the plaintiff and Leong Jyh Wen ('PW1') (the said assignment) to institute this action against the defendants:

(a) It is clearly stated in the said assignment that 'the whole right, title and interest in and to' the plaintiffs registered designs as well as 'the full and exclusive benefit thereof and all rights, privileges and advantages appertaining thereto' were assigned and transferred from Leong Jyh Wen

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(PW1) (ie the original registered proprietor) to the plaintiff with effect from 8 August 2002 (see: exh P4, at p 198–207 of bundle B2); and

(b) The said assignment was *recognised and duly recorded by the Registrar of Industrial Designs* which effectively transferred the proprietorship/ownership of the plaintiff's registered designs to the plaintiff (see: exh P5, at p 117 of bundle B1).

[10] From the above said assignment and with reference to ss 29(2) and 30(1) and (2) of the Industrial Designs Act 1996, it is the plaintiff's right to institute this legal action against the defendants and any infringer of the plaintiff's registered designs.

[11] Based on the evidence adduced in court the designs in B88, B89, B90 and B92 carried the same designs as the first and fourth generations which carry the defendant's registered trademark 'Apple Lady'. Therefore the plaintiff claimed that the first to fourth generations of Apple Lady flower pots were infringed.

[12] Whether the expert evidence is necessary where the consumer products are in dispute? The answer to this, I will refer to two cases submitted by the plaintiff ie *Gaskell & Chambers Ltd v Measure Master Ltd* [1993] RPC 76 where Aldons J (as His Lordship then was) said:

> As is usual in registered design actions, embodiments of the plaintiff's and defendant's products and those of competitors were produced and considered by the witnesses The comparison that has to be made is between the representations registered and the alleged infringements.

And in the case of *Leatheries Ltd v Lycett Saddle and Motor Accessories Company Ltd* [1909] 26 RPC 166 Eve J said:

> The two cases before the House of Lords, to which Mr Terrell drew my attention when opening the case, have clearly demonstrated this — that *in determining the issue of infringement in an action of this nature*, the judge must disregard, and it seems to me as far as possible eliminate from his mind, all knowledge of the functions which the article illustrated in the design is intended to perform. Reading from what Lord Herschell said in those cases, it seems to me that *what the judge has to do*, and, as I read the observations, *all that he has to do, is to look at the registered designs and the alleged infringement*, and upon the view, he has to determine whether the one is a reproduction of the other, or, if not an exact and absolute reproduction, whether it is a reproduction so far embodying the nature, patter, shape or configuration (to use Lord Herschell's words) of the design as to be in fact a mere colourable imitation or copy of the design.

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[13] Based on the above cases, the expert evidence is therefore not necessary to be brought during the trial. In determining the issue of infringement under the Act, the court only to make a visual comparison between the plaintiffs' registered industrial designs and the alleged infringing and/or offending flower pots.

[14] From my observation, factors to be considered are the ordinary consumer, how their eye will judge the design, small differences in detail do not necessarily prevent infringement. Refer to *Redland Tiles Ltd & Ors v Kua Hong Brick Tile Works* [1966] 2 MLJ 62, where Abdul Aziz J said:

> *The question whether a design which is alleged to infringe a registered designed is or is not an infringement must be determined by the eye alone*. The court has to decide only whether the alleged infringement has the same shape or pattern, and must eliminate the question of the identity of function, since another design may have parts fulfilling the same functions without being an infringement. Small differences in detail do not necessarily prevent infringement, but generally speaking, if under normal conditions of user the eye would not confuse the two designs, there is no infringement …
>
> Therefore, the eye is the sole test and looking at the two sets of tiles one would find that the sizes, the profiles and the configuration of these tiles when laid together are so similar that they are likely to confuse, and there appears to be no outstanding features to distinguish between these two sets of tiles.

[15] Another factor is by looking at the design from a distance, as said by Lord Herschell in the case of *Hecia Foundry Co v Walker, Hunter & Co* (1889) 6 RPC 554:

> It seems to me, therefore, that *the eye must be the judge in such a case* as this, and that the question must be determined by placing the designs side by side, and asking whether they are the same, or *whether the one is an obvious imitation of the other*. I ought perhaps to qualify this by saying that, as a design to be registered must, by s 47, to be 'new or original design, not previously published in the United Kingdom,' one may be entitled to take into account the state of knowledge at the time of registration, and in what respect the design was new or original, *when considering whether any variations from the registered design which appear in the alleged infringement are substantial or immaterial.*

[16] In my judgment I am of the opinion that the designs of these flower pots namely:

(a) the first generation infringing flower pots;

(b) the second generation infringing flower pots;

(c) the third generation infringing flower pots; and

(d) the fourth generation infringing flower pots.

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are the same as that of registered industrial design, as represented by the drawings at pp 196–197 of bundle B2, and the evidence of DW1 and DW2 as an expert evidence as to some detail differences of the pots are immaterial according to the principles of the cases above cited.

[17] Therefore the plaintiff has on the balance of probabilities proved their first fold of their claim ie that the defendant is liable for infringement of the plaintiff's industrial design under the Industrial Designs Act 1996 by making for sale or for use for the purposes of trade or business, distributing, selling, or offering or keeping for sale in Malaysia, without the licence or consent of the plaintiff and/or the previous owner Mr Leong Jyh Wen of the registered industrial design, flower pots to which the registered industrial design, or a fraudulent or obvious imitation thereof has been applied.

TORT OF PASSING OFF

[18] The fundamental principle of the tort of passing off is that no trader should be allowed to compete unfairly with another trader by passing off the former's goods and/or services as and for those of the latter by way of misrepresentation and, thereby, damaging the goodwill and reputation of the latter. (Refer to *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358,, *Mun Loong Co Sdn Bhd v Chai Tuck Kin* [1982] 1 MLJ 356; [1982] CLJ 80, and *McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation* [2009] 3 MLJ 774; [2009] 4 AMR 394).

[19] In short, Gopal Sri Ram JCA (as he then was) said in *McCurry*'s case ' … a defendant is liable if he injures the plaintiff by either passing his goods or mark or business as that of the plaintiff's. And to pass off one as the other certainly involves creation of a false impression which is referred to as the element of misrepresentation in tort'.

[20] In order to succeed, the plaintiff must satisfy the following requirements:

(a) it has to establish goodwill and reputation in its trade (whether goods or services) by virtue of a distinctive mark, get-up, name etc;

(b) misrepresentation by the defendant using an identical or confusingly similar mark, get-up, name etc leading to confusion or likelihood of confusion in the minds of the public and trade that its goods/services are those of the plaintiff or that there is an association between them; and

(c) the defendant's acts of misrepresentation have caused damage or likelihood of damage to the plaintiff. (Refer to *Sinma Medical Products (M) Sdn Bhd*.)

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[21] The plaintiff and ERA-I Enterprise (M) Sdn Bhd (an authorised distributor of the plaintiff) have since after 19 September 2000 been promoting, advertising and distributing of the plaintiff's flower pots (exhs P3A–D) which bear the designs on a design substantially similar thereto in Malaysia and abroad (evidence of PW1, PW3 and PW4) and refer to exhs P6, P7 and P8 (invoices).

[22] According to PW1 the extensive sale and popularity of the plaintiff's flower pots are primarily due to the plaintiff's registered designs applied which are unique and attractive.

[23] There is an established facts that members of the trade and public in Malaysia have come to identify the plaintiff's flower pots with the trade and business of the plaintiff. Thus, the plaintiff has successfully established substantial goodwill and reputation in its business and manufacturing, selling and distributing the plaintiffs flower pots which has come to be recognised as the 'badge' of the plaintiff's flower pots.

[24] Misrepresentation in the tort of passing off, is a false representation on the part of the defendant which causes damage to the goodwill and reputation of the plaintiff through an unlawful association created between the defendant and the plaintiff. I refer to *Syarikat Zamani Hj Tamin Sdn Bhd & Anor v Yong Sze Fun & Anor* [2006] 5 MLJ 262 where Ramly Ali J (as he then was) at p 450 said:

> Misrepresentation in the passing off sense is a *false representation on the part of the defendant which causes damage to the goodwill and reputation of the plaintiff through an unlawful association created between the defendant and the plaintiff.*

As set out by Lord Parker in *Spalding v Gamage* at p 450:

> the basis of a passing off action being a false representation by the defendant, it must be proven in each case as a fact that the false representation has been made. It may, of course, have been made in express words, but cases of express misrepresentation of this sort are rare. *The more common case is where the representation is implied in the use or imitation of a mark, trade name, or get-up with which the goods of another are associated in the minds of the public*

In the case of *Reckitt & Colman Product Ltd v Borden Inc & Ors,* it was held by Lord Oliver in the House of Lords judgment at p 880 of the report that *misrepresentation relates to representation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods and services offered by him are goods and services of the plaintiff.*

[25] The test to be applied is whether there was a *likelihood of confusion*

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between the plaintiff's trademark and the defendant's trade mark. Thompson LP in *MI & M Corporation & Anor v A Mohamed Ibrahim* [1964] MLJ 392 (Federal Court) is said:

> Looking at them side by side they are clearly different and looking at them side by side nobody could possibly mistake the one for the other. The two flowers differ in many details and though their positions on the labels is the same the surrounding wording differs. Even the most careless and ignorant person seeing them side by side on a shelf in a well-lighted grocer's shop could see that they are different. That, however, is not the test to be applied in a case of this sort for if it were it would render nugatory the protection which the law gives to trade and trade marks. For myself I would adopt the test applied by Sargant J in the case of *Sandow Ltd's Application* (1914) 31 RPC 196 at p 205 which was a registration case. He said:
>
> The question is not whether if a person is looking at two trade marks side by side there would be a possibility of confusion; the question is whether the person who sees the proposed trade mark in the absence of the other trade mark, and in view only of his general recollection of what the nature of the other trade mark was, would be liable to be deceived and to think that the trade mark before him is the same as the other, of which he has a general recollection.

[26] By looking at the first and fourth generations infringing/offending flower pots by the defendant, there would clearly still be a likelihood of confusion in comparing with the first, second, third and fourth infringing/offending flower pots due to the overall similarities between their design, this is further supported by the following:

(a) the flower pots in question are being sold cheaply in the market, (refer to evidence of DW3), compared to the plaintiff's flower pots which are the same or substantially the same;

(b) the trademarks are printed at the bottom of the flower pots, and, thus are not generally noticeable;

(c) the purchaser generally will look into the unique and attractive design, not the trademarks.

[27] Thus, the aforesaid infringing/offending acts of the defendant clearly tantamount to misrepresentation to members of the public and are calculated to deceive and/or cause confusion which act will deceive members of the public into false supposition and belief that the defendant's infringing/offending flower pots are manufactured or authorised, approved or endorsed by, associated or connected with the plaintiff.

[28] The third requirement is damages, PW1 in his evidence said that the said infringing/offending acts of the defendant have clearly caused and will continue to cause irreparable damages and serious loss and damage to the

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goodwill and reputation of the plaintiff. The solicitor for the plaintiff submit that it is not necessary for the plaintiff to prove actual loss or damage, as a likelihood thereof is sufficient. Further he urged this honorable court to infer such likelihood of damage to the plaintiff.

[29] In *Syarikat Zamani Hj Tamin Sdn Bhd*, Ramly Ali J (as he then was) said:

> It is also settled law that actual damage need not be proven. A probability of damage is sufficient. As per *Buckley LJ in Bulmer (HP) Ltd v Bolinger SA* [1978] RPC 79:
>
> It is settled law that the plaintiff in a passing off action does not have to prove that he has actually suffered damage by loss of business or in any other way. A probability of damage is enough.

[30] In the case of *Seet Chuan Seng & Anor v Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 2 MLJ 770, Gun Chit Tuan a (Malaya) said as follows:

> In an action for passing off, damage is also essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of the exclusive use of his name.

[31] In assessing the plaintiff's evidence and the defendant's evidence as a whole, it is my judgment that the plaintiff has on the balance of probabilities, proved and established all three requirements for the tort of passing off against the defendants by committing the said infringing/offending acts.

[32] I therefore allowed the plaintiff's claim against the defendant with cost of RM50,000.

[33] As to damages, I direct the parties to go before *Timbalan Pendaftar* for assessment of damages, at a later date to be fixed by him.

Plaintiff's claim against the defendant allowed with costs.

Reported by Kohila Nesan